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III Plaintiff

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LARRY WELLS, JEFFREY WELLS, and
HENRY M. KAISER.

15 Defendants.

CASE NO. 2:04-cr-00069-MCE

**STIPULATION AND ORDER RE
RESTITUTION WITH RESPECT TO
SUREWEST COMMUNICATIONS**

17 The parties, through their undersigned counsel, hereby stipulate that the defendants have
18 satisfied the restitution imposed in their respective judgment and commitment orders with respect
19 to Surewest Communications, the victim in this case. This stipulation is based on the following
20 facts:

1. In the Court's August 29, 2006 judgment and commitment order, defendant Henry
M. Kaiser was sentenced to 12 months and 1 day imprisonment, and was ordered to pay
\$2,000,000 restitution to Surewest Communications, jointly and severally with defendants Larry
Wells and Jeffrey Wells.

25 2. In the Court's February 23, 2007 judgment and commitment order, defendant
26 Jeffrey Wells was sentenced to three years imprisonment, and was also ordered to pay \$2,000,000
27 restitution to Surewest Communications, jointly and severally with defendants Henry Kaiser and
28 Larry Wells.

1 3. In the Court's June 22, 2007 judgment and commitment order, defendant Larry J.
2 Wells was sentenced to 55 months in prison. At the time of his sentencing, the issue of restitution
3 had changed in that the amount of restitution due to Surewest was reduced to \$1,087,826.89.
4 Larry Wells was ordered to pay that amount of restitution to Surewest. The reduced amount was
5 based on further research into the loss amount and because Surewest's insurance company,
6 Travelers Insurance, had successfully sued Bank of America for its negligence in allowing the
7 fraud that was the subject of the indictment to occur. Bank of America paid Travelers
8 \$739,865.11 to settle the suit and Larry Wells was ordered to repay Bank of America in this
9 amount. (Larry Wells's position is that he does not owe Bank of America anything because it
10 was the Bank's negligence that caused its loss. He plans to pursue the matter separately.) While
11 Travelers paid Surewest for a portion of its losses, restitution was ordered payable to Surewest to
12 maintain consistency with Jeffrey Wells's and Henry Kaiser's restitution orders. Surewest had an
13 agreement with Travelers to forward any restitution paid to Travelers to repay the insurance
14 payout.

15 4. The Department of Justice's Asset Forfeiture and Money Laundering Section
16 granted remission to Travelers Insurance and Surewest regarding assets forfeited in this case. On
17 March 26, 2012, Travelers Insurance received its second and final payment of a total of
18 \$1,062,822.89, and on March 28, 2012, Surewest received a total of \$186,115 from forfeited
19 assets. Both Travelers Insurance and Surewest report that they have been fully reimbursed.

20 5. Based on the foregoing, the Court should find that all three defendants have
21 satisfied their restitution obligations to Surewest Communications.

22 || IT IS SO STIPULATED.

23 || Dated: July 29, 2013

/s/ Matthew G. Jacobs
MATTHEW G. JACOBS
Attorney for Defendant
HENRY M. KAISER

1 Dated: July 29, 2013

2 /s/ Scott L. Tedmon
3 SCOTT L. TEDMON
4 Attorney for Defendant
5 LARRY WELLS

6 Dated: July 29, 2013

7 /s/ Wayne L. Ordos
8 WAYNE L. ORDOS
9 Attorney for Defendant
10 JEFFREY WELLS

11 Dated: July 29, 2013

12 /s/ R. Steven Lapham
13 R. STEVEN LAPHAM
14 Assistant U.S. Attorney

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ORDER

2 Based on the foregoing stipulation, and good cause appearing therefor, it is hereby
3 ORDERED that the restitution obligations to Surewest Communications imposed in the
4 respective judgment and commitment orders of the three defendants is deemed fully satisfied and
5 paid in full.

6 IT IS SO ORDERED.

7 || Dated: August 2, 2013


MORRISON C. ENGLAND, JR., CHIEF JUDGE
UNITED STATES DISTRICT COURT